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U.S. disowns alleged CIA Kadafi plot

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Washington—The administration disavowed yesterday a reported plan by the Central Intelligence Agency to overthrow Col. Muammar el Kadafi, the Libyan leader, saying it does not condone such undertakings.

Larry Speakes, the White House spokesman, repudiated bluntly an elaborate proposal that had alarmed at least some members of the House Select Committee on Intelligence. Their protest, written directly to President Reagan and leaked to *Newsweek* magazine, brought the affair to light.

Despite the furor, Mr. Speakes and congressmen alike tried to preserve the tradition of refusing direct comment on intelligence matters. The letter from Congress, Mr. Speakes said, did not mention either Colonel Kadafi or Libya.

Speaking generally, he said, the administration "does not condone the assassination of foreign leaders or the overthrow of foreign governments by the U.S. government." No one was in doubt, however, that the anti-American Libyan leader was the subject.

Congressional sources confirmed yesterday the report published in the current issue of *Newsweek*. They said a complex plan to destabilize Colonel Kadafi's government, leading to his "ultimate" removal, had been presented by Max Hugel, CIA deputy director until his resignation two weeks ago, with the endorsement of director William J. Casey and the White House crisis management team headed by Vice President Bush.

According to *Newsweek*, the long-term campaign involved several elements, including propaganda to embarrass Colonel Kadafi, the creation of a rival government, and finally guerrilla operations by rebellious Libyans. The hand of the United States was not to appear in the undertaking.

Some members of the House Intelligence Committee saw the background threat of assassination in the plans. Their alarm on that score prompted the letter to the president, although Mr. Casey disclaimed any such intent.

Neither the proposal nor the protesting letter had been presented to Mr. Reagan before the affair became public, one official said yesterday. A former intelligence officer, however, said the public repudiation in the circumstances was inevitable.

added wryly, however, "I don't know if destabilizing more than Kadafi."

The mercurial Libyan leader is an Arab nationalist. Strongly opposed to Arab oil money and has argued passionately that the nuclear arms race must match the nuclear arms race widely assumed to have.

For those reasons, many intelligence specialists, present and former, in Washington, had regarded Libya as a prime target for the reentry of the CIA into covert operations. Such activity has been at low level since the agency was found in the mid-1970s to have far exceeded its mandate, partly by spying on American activists at home.

Generally the Reagan administration has indicated that it wanted to release some of the restraints on CIA activity abroad. Efforts to formally redefine its role, however, perhaps through adoption of a formal charter, so far have failed.

Some increases in clandestine political and paramilitary activity are reported to have occurred. The successful operations, the former intelligence official observed, "are the ones you don't hear about." They are said to be modest by former standards, however.

A law enacted last year reduced from eight to two—select committees in both houses of Congress—the number of congressional groups to which the agency is accountable. As for executive authority, the agency operates under guidelines fixed three years ago by former President Jimmy Carter. Mr. Reagan is still considering his own version.

Now, one administration official remarked yesterday, the agency is bound to operate under ambiguous authority until the status of Mr. Casey, who is under fire in Congress, is determined. Several senators have called for his resignation, first for hiring Mr. Hugel, who lacked experience in intelligence work, and second because of the way he conducted his private business affairs.

The turmoil clearly is a far cry from Mr. Casey's expectations of a month ago, when he told colleagues it was time for the agency to soften its public relations campaign and recede from public view because "the difficulties of the past decade are behind us."